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European Union

Grain and Feed

EU Commission to allow US to access larger wheat import quotas for 2003

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Report Highlights:

The European Commission has proposed an amendment to the low and medium wheat import quota system that would enable the U.S. and Canada to use the part of the quota previously reserved for 'other countries' (i.e. all but U.S. and Canada).

Roughly 1.4 MMT of additional quota for 2003 will now be available for these two countries exports to the EU. The Regulation enters into force the day after publication, which is expected next week, with Monday the 17th as a possible first date for bidding for quotas.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Brussels USEU [BE2]
[E2]

The Cereals Management Committee of DG Agriculture have voted through an amendment to the quota system for medium and low quality wheat.

The Regulation will probably be adopted by written procedure. Once it is published in the Official Journal, the Regulation would enter into force the following day. No precise date is known for publication, however, this could be as soon as towards the end of next week (week of 10th to 14th November), which would give the 17th November as a tentative date for the earliest possible date for bidding for these import licences.

The United States and Canada will now have access, for 2003, to the part previously earmarked for other third countries. For medium and low quality wheat, there is a global TRQ of 2,981,600 MT per year with a duty of €12/MT. Of this amount, 572,000 MT has been allocated exclusively to the U.S. and 38,000 MT to Canada. The remaining 2,371,300 MT is for other third countries and could not be used by the U.S. or Canada.

The proposed Regulation will only cover the quota for 2003. At the beginning of November, there was just over 1.4 MMT outstanding left to be used up during 2003 for the other countries quota. It is reported that the US has used little of the 572,000 MT available so far in 2003.

Under the EU wheat TRQ system, both the U.S. and Canada may allow their exclusive portions of the quota to be reallocated if it will not be used in a given year, however there was no provision for 'other countries' to have their quota reallocated to enable the US and Canada to use it, thus requiring the proposed Regulation from the Commission to enable this.

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